GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:207
ANSWERED ON:14.12.2015
Steel Production
Adsul Shri Anandrao ;Gaikwad Prof. Ravindra Vishwanath

Will the Minister of STEEL be pleased to state:

(a) whether India is lagging behind in the steel production during the current year;

(b) if so, the details of steel production during each of the last three years and the current year along with the position of India in the global steel production ranking;

(c) whether the steel industry needs huge investment to meet its enhanced production capacity in future;

(d) if so, the details thereof; and

(e) the steps taken by the Government to enhance steel production capacity under the Make-in-India initiative to meet the projected demand in the country?

Answer

THE MINISTER OF STEEL AND MINES (SHRI NARENDRA SINGH TOMAR)

(a)to(e): A Statement is laid on the Table of the Lok Sabha.

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STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO.*207 FOR ANSWER ON 14/12/2015 TABLED BY PROF. RAVINDRA VISHWANATH GAIKWAD AND SHRI ANANDRAO ADSUL, MEMBERS OF PARLIAMENT REGARDING STEEL PRODUCTION.

(a)&(b): The data on crude steel production for the last three years and the current year are given below:-

Year Production (in million tonnes)
2012-13 78.42
2013-14 81.69
2014-15 88.98
2015-16* (April-Nov.) 59.75
Source: Joint Plant Committee, *Provisional

The above table shows that the production of crude steel is consistently increasing in the country. Data released by the World Steel Association (WSA) on global crude steel production during January-October 2015 indicates that India has now become the 3rd largest producer of crude steel in the world.

(c)&(d): Steel being a deregulated sector, the investment decisions are taken by the individual companies/investors based on commercial considerations and market dynamics. The current crude steel capacity in the country is 110 Million Tonnes Per Annum (MTPA), which is envisaged to increase to 300 MTPA by the year 2025. On an average, Rs. 6000 crores is required for setting up a steel plant of one million tonne.

(e) Steel is the core sector of the economy. Several sectors, which are part of 'Make in India' initiative, have strong linkages to steel. The Government of India has taken the following steps to promote the domestic steel industry and enhance steel production:

(i) Special Purpose Vehicle (SPV) framework adopted to encourage large capacity green field projects in iron ore rich States of Jharkhand, Odisha, Chhattisgarh and Karnataka.

(ii) Public sector units have undertaken expansion plans to increase the steel production capacity. SAIL has undertaken modernization & expansion plan to enhance its crude steel production capacity from 12.8 MTPA to 21.4 MTPA. RINL has undertaken expansion and modernization of its capacity from 3 MTPA to 7.3 MTPA. NMDC has undertaken setting up of a new steel plant of 3 MTPA.

(iii) Notified the Coal Mines (Special Provisions) Amendment Act, 2015 on 30.03.2015 to streamline coal block allocations.

(iv) Notified the Mines and Minerals (Development and Regulation) Amendment Act, 2015 on 27.03.2015 to streamline grant of mining leases and to improve raw material security.

(v) Notified Steel and Steel Product (Quality Control) Order dated 12.03.12 (as last amended on 04.12.14) for production and import of quality steel.

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